REMARKS

The suggested amendment to claim 11 is made. This is believed to render the §101 rejection moot.

Claims 1-4 and 6-12 stand rejected under 35 U.S.C. 103(a) as being allegedly unpatentable over Doshi, U.S. Patent No. 6,144,667 in view of Scott, U.S. Patent No. 7,123,608. The rejection is respectfully traversed.

The office action does not properly interpret the claims because it repeatedly uses the gateways of Scott to compare to the claimed local phone lines of the plurality of hosts. For example, at page 6, the office action states "Scott shows the benefits of using a local gateway to bypass long distance charges when connecting a call via the Internet (col. 2, lines 27-36)." By comparing Scott's VoIP gateways to the claimed hosts that have their own local phone lines to connect to local phone services, the claim features are not given a proper interpretation. The faulty interpretation is suggested by the one sentence summation in the office action "The applicant's specification basically states that using the internet to connect calls to local phone services to the destination is a good way of saving long distance charges." The specification certainly includes more detail than that, and even the claim features disprove the inaccurate summary that was used as a basis for rejection instead of the actual language of the claims.

The gateways 110 and 130 in Doshi are phone company resources that interface between an IP network 120 and a phone company network (PSTN). As was pointed out previously, this is part of a conventional VoIP system, as stated in column 2, lines 3-5: "A VoIP system typically relies on gateways to provide an interface between PSTN and IP networks." It is these phone company interfaces that are strategically located as part of plan to reduce long-distance costs. "By strategically locating gateways, such as gateways 110 and 130, in desired calling areas long distance costs are substantially reduced." C2, L35-37. Doshi appears to disclose a VoIP phone company implemented scaled system that "provides all of the necessary tools to build and operate a large distributed carrier network." C9, L18-20. The host

that accesses a local phone service via a local phone line to permit sharing of the host's phone line is not properly compared to the gateways of Doshi even when the gateways are distributed. The end effect may be similar (reduction of local phone services) when it is stated very broadly as in the Examiner's summary, but Doshi does not appear to disclose or suggest individual host resources as required by the claims.

Applicant maintains that the gateways are not properly compared to hosts. Hosts share their own resources, permitting, for example "peer-to-peer" communications (page 1, lines 6-8), and the hosts can be a home personal computer connected to a local phone service via its local phone line. "No hardware, beyond a personal computer with a voice modem, is required for an individual to set up a BPLAP. Only an available phone line and a software download are necessary to become part of, and start using, the system." P3, L26-29. Hosts share their local company and local phone lines in each of the claims, and Doshi discloses only a phone company provided services without any notion of sharing or hosts. All VoIP services avoid the long distance PSTN phone lines, but the claimed invention leverages local phone lines and services of host computers in a manner not disclosed or suggested in the art.

For all of the above reasons, reconsideration and allowance of the instant application is requested. Should the examiner have any questions or concerns that could be resolved by a telephone conference, the examiner is invited to contact the undersigned attorney at the below listed number.

Respectfully submitted,

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